

## COUNTERING EMERGING THREATS

As the United States enters the 2020s, the threats America faces as a Nation are rapidly shifting and evolving. While the American people still face dangers posed by Islamist terrorists and transnational criminals, America also faces challenges by resurgent rival nation-states, including China and Russia. The Budget reflects the need for a new American posture to match the realities faced in this new era.

To sustain American security at home and promote U.S. interests abroad, the Administration has rebuilt the military, invested in the well-being of America's servicemembers, expanded U.S. capabilities to fight in emerging theaters, and refocused U.S. defense priorities on contemporary threats.

It is not just U.S. troops and Government agents on the front lines anymore. It is U.S. businesses, universities, and social groups. A rural hospital, family-owned business, or private citizen is no match against a nation-state such as China, Iran, North Korea, or Russia attempting to hack their network. Threats to U.S. security are coming in an ever-increasing variety of forms against an ever-expanding variety of targets.

More than ever, each adversary has the ability to use modern technology to harm U.S. economic prosperity, limit freedom around the globe, and undermine America's superior military advantage. Attacks on America's devices and networks, which are critical to U.S. economic well-being and security, are omnipresent. With an estimated 75 billion devices connected to the internet by 2025, it is clear these vulnerabilities will only increase. It is all too easy for a rogue nation-state or cyber-criminal to target a weak link in a global supply chain that relies on the internet in order to cripple America's economy or

infrastructure—with little fear of attribution or reciprocity.

To stay ahead of these threats, the U.S. Government must shift out of the old, staid ways in which it has historically operated, and focus more on the challenges posed by great power rivals and emerging technology. Instead, a whole-of-Government approach to overcome these rising risks by preparing to meet the demands of tomorrow is needed. Such an approach includes prioritizing artificial intelligence (AI), 5G, and other industries of the future.

The 2021 Budget reflects the need to reposition American economic, military, and diplomatic postures to ensure that everything America holds dear—individual liberty, the rule of law, a democratic system of government, and opportunity for all—is protected. Preserving American leadership and values requires an America First agenda that must be promoted by advancing four pillars of national power—economic competitiveness, national security strength, free and fair trade, and foreign partnerships that match action and resources with intent and rhetoric.

We have rebuilt America's great and powerful military to deter aggression, win wars, and inflict punishment on U.S. adversaries to defend America and her people, values, and friends at home and abroad. Through significant investments in emerging warfighting domains such as space through the creation of the United States Space Force, and advancement of modern technologies, including reinvigorating missile defense, hypersonics, cyber, and AI, this Administration will put America in the driver's seat when negotiating with America's adversaries from a position of strength.

## PROTECTING AMERICA'S ECONOMY

Protecting America's vital economic interests against those who would do America harm has never been more important. Great power rivals, such as China, have engaged in cyber-enabled economic warfare against the United States and its allies. These adversaries target key components of America's economy. They seek to gain an advantage against the United States by stealing U.S. intellectual property and personal data, as well as interfering with America's critical infrastructure. These actions threaten the foundations of the American way of life.

The Budget focuses on overcoming the many challenges posed by great power rivals that target U.S. economic stability.

**Better Trade Deals.** For decades, unfair trade practices have weakened the U.S. economy and exported U.S. jobs overseas. The Administration is advancing fair and reciprocal trade through agreements with Mexico, Canada, South Korea, and Japan, and through ongoing negotiations with the United Kingdom, China, and European countries. These agreements open new markets for American exports and create jobs while protecting American intellectual property and America's domestic producers.

**Industries of the Future.** The Budget prioritizes accelerating AI solutions. Along with quantum information sciences, advanced manufacturing, biotechnology, and 5G research and development (R&D), these technologies will be at the forefront of shaping future economies. The Budget proposes large increases for key industries, including doubling AI and quantum information sciences R&D by 2022 as part of an all-of-Government approach to ensure the United States leads the world in these areas well into the future.

**Energy Independence.** The Budget recognizes and supports the emergence of the United States as a top producer of energy in the world, becoming a net exporter of petroleum in late 2019 and projected to be one for the 2020 calendar year—a position of energy independence the United States hasn't been in since the 1940s.

**Defending Government Networks and Critical Infrastructure.** The Department of Homeland Security (DHS) continues to play a major role in securing and building cybersecurity resilience for the Nation's most critical infrastructure, including Government networks. DHS, in partnership with key stakeholders, identifies and manages the most critical national cybersecurity risks. The Budget includes more than \$1.1 billion for DHS's cybersecurity efforts.

**Addresses the Federal Cybersecurity Workforce Shortage.** To face today's threats and prepare for tomorrow's, America must have a workforce that is trained and skilled in cybersecurity. Today, there are simply not enough cyber professionals in Government service. The *Delivering Government Solutions in the 21<sup>st</sup> Century* plan and Executive Order 13870, "America's Cybersecurity Workforce" included several initiatives to solve the Federal cybersecurity workforce shortage, establishing unified cyber workforce capabilities across the civilian enterprise. The Budget includes funding to support DHS's Cyber Talent Management System and for the Cybersecurity and Infrastructure Security Agency, which would lead a Government-wide cybersecurity workforce program for all Federal cyber professionals.

## REBUILDING AMERICA'S MILITARY

**Sharpens America's Advantage in an Increasingly Competitive Strategic Landscape.** The Budget prioritizes funding for programs that would deliver warfighting advantages against China and Russia and sustains efforts over the last three years to focus defense investments in modernization, lethality, and innovation that provide the Nation's troops a competitive advantage over all adversaries.

**Modernizes Key Capabilities to Build a More Lethal Joint Force.** The Budget prioritizes investments in U.S. air, sea, land, space, and cyber capabilities that would support operations to ensure military superiority. Critical investments include procuring next generation fighter aircraft and new battle force ships, modernizing Army armored brigade combat teams, and fully funding recapitalization of the strategic ballistic missile submarine fleet. The Budget also

assesses modifications to existing missile defense capabilities to defend the U.S. homeland, providing additional coverage on a faster timeline.

**Grows and Reorganizes the U.S. Military to Better Compete in Emerging Domains.**

The Budget supports the growth of the recently established United States Space Force, the sixth branch of the U.S. Armed Forces, to ensure that the United States can protect and defend America's national interests in space.

**Invests in the Nation's Men and Women in Uniform.**

The Administration understands that America's security and freedom is ensured by the sacrifices of the men and women who wear the uniform and is investing in their well-being and that of their families. On the heels of growing annual pay raises for America's troops throughout this Administration, the pay raise effective January 1, 2020, was the first over three percent in a decade. The Budget proposes an additional raise in the coming year.

**Secures the Capability to Supply Vital Military Resources in the Long Term.**

The Administration has directed the first whole-of-Government assessment of U.S. manufacturing and defense supply chains since the 1950s.

**ENGAGING AMERICA'S ALLIES  
TO ADVANCE FREEDOM**

**Realigns Burden-Sharing to Encourage Greater Engagement from Allies.**

The Budget recalibrates American contributions to international organizations to a more sustainable level, engaging U.S. allies to similarly invest in peace and stability. The United States will continue

to press its allies to give more in providing for their own defense; frequent increases in North Atlantic Treaty Organization (NATO) ally funding has been a result. Further, the United States will continue to emphasize and enforce a road to self-reliance in foreign assistance to ensure that there is a positive return on investment for each American taxpayer dollar.

**Expands Defense Financing for America's Allies.**

The Budget proposes Foreign Military Financing (FMF) loan and loan guarantee programs for NATO and major non-NATO allies to complement traditional FMF grant assistance. These tools would bolster security, improve battlefield interoperability, and support American domestic economic interests, and would increase opportunities for allies and partners to build their militaries around U.S. innovation and quality, while transitioning away from inferior equipment from foreign adversaries.

**Frustrates Chinese Efforts to Shape the Indo-Pacific in Its Image.**

The future of the Indo-Pacific, which contains roughly half the world's population and many of the fastest growing economies, is critical to U.S. security and long-term economic interests. The Budget reflects a strong Administration commitment to ensuring that the region remains free, open, and independent of malign Chinese influence with funding that supports democracy programs, strengthens security cooperation, improves economic governance, and facilitates private sector-led economic growth. The Budget also provides \$30 million for the Global Engagement Center to counter Chinese propaganda and disinformation.